

# Kansas Health Care Stabilization Fund

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## Instructions for Non-Resident Health Care Providers Licensed to Practice in Kansas [Compliance Periods on or after January 1, 2016]

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### Introduction

The Kansas Health Care Stabilization Fund requirements first became effective on July 1, 1976 pursuant to the Kansas Health Care Provider Insurance Availability Act. This 1976 enactment included the following major provisions:

- mandated a basic professional liability insurance requirement for resident and non-resident health care providers;
- established an Availability Plan to provide the required basic professional liability insurance for those resident and non-resident health care providers who could not obtain the coverage from commercial insurers; and
- created the Health Care Stabilization Fund to provide supplemental professional liability coverage for all health care providers who practice in Kansas.

Non-resident health care providers who have an active license to practice in Kansas are required by law to comply with the basic professional liability insurance requirements and also participate in the Health Care Stabilization Fund.

These statutorily defined health care providers are Medical Doctors, Doctors of Osteopathic Medicine, Chiropractors, Podiatrists, APRN Nurse Anesthetists, APRN Nurse Midwives, and Physician Assistants, who have an active license to render professional services in Kansas.

Non-resident health care providers who obtain their required basic coverage from the Kansas Health Care Provider Insurance Availability Plan (the Plan), instead of a commercial insurance company, may not need to comply with the instructions in this brochure. Contact the Plan's servicing carrier to assure that your surcharge has been paid and you are already in compliance with Kansas law.

Most non-resident health care providers who are licensed to practice in Kansas will already have adequate professional liability insurance coverage to comply with the minimum required by Kansas law. It will then be necessary to complete the Health Care Provider Insurance Availability Act Non-Resident Health Care Provider Certification Form. The completed form will then need to be submitted along with a certificate of insurance and surcharge payment to the Kansas Health Care Stabilization Fund.

### Tail Coverage

As a result of legislation that became law July 1, 2014, health care providers who practice in Kansas are provided the equivalent of an extended reporting endorsement when they become inactive and discontinue compliance with the Health Care Provider Insurance Availability Act.

It will not be necessary for inactive health care providers to make payment for continued liability coverage under the Health Care Stabilization Fund when they inactivate or cancel their Kansas license and discontinue their Kansas practice.

## **Intermittent Health Care Providers and Locum Tenens**

Some non-resident health care providers practice in Kansas intermittently or on a part time basis. It is important to recognize that as long as the health care provider maintains an active license to render services in Kansas, he or she must also maintain compliance with the Health Care Provider Insurance Availability Act. In other words, it is necessary to maintain continuous professional liability insurance coverage and continuous participation in the Health Care Stabilization Fund. In this case, the health care provider must estimate to the best of his or her ability, their Kansas practice as a ratio of their total practice. Different methods may be used, for example, the hours worked in Kansas compared to total hours, the number of patients in Kansas compared to the total number of patients, or the number of procedures or surgeries performed in Kansas

compared to the total number. Another acceptable ratio is the amount of income earned in Kansas compared to total income.

The law allows a special exception from the claims-made policy requirement for locum tenens who will render services in Kansas for less than a six month period. Those temporary locum tenens may be insured under an occurrence policy. In this case, the ratio of Kansas practice is obviously the number of days the locum tenens will be assigned to practice in Kansas divided by 365.

The locum tenens health care provider will need to convert his or her license to inactive status following the temporary assignment. Otherwise, he or she will need to obtain a claims-made professional liability policy and maintain continuous insurance coverage as well as HCSF coverage as described above.

### **General Guidelines**

1. It is the responsibility of the non-resident health care provider to comply with the Kansas Health Care Provider Insurance Availability Act. If you have been a resident health care provider, and you are now a non-resident health care provider, the compliance requirements will no longer be handled by your commercial insurance company. A copy of the required form is appended to this document. The form can be downloaded from the HCSF website, can be completed on a computer, and then can be printed.

2. A Certificate of Insurance from the basic professional liability carrier is required for each Fund submission. Section 3 of the certification form requires the name of the insurance company and certain policy information. The insurance company listed in this section must be authorized (admitted) to do business in Kansas. If it is not an authorized (admitted) Kansas insurance company, then a non-admitted insurance company may be used if that non-admitted insurer has filed a Declaration of Compliance Form with the Kansas Health Care Stabilization Fund. The insurance agent or company representative should be able to assist in making these determinations, but if there is a question about the status of the basic coverage insurer in Kansas, you may wish to contact the HCSF office for assistance.

3. You should furnish your basic coverage insurance company with information regarding prior Kansas practice periods along with your current plans to practice in Kansas as a non-resident health care provider.

4. Professional liability insurance being provided to non-resident health care providers by a self-insurer will not meet the basic coverage requirements of the Kansas Health Care Provider Insurance Availability Act. It will be necessary to purchase basic coverage for the Kansas practice and pay the applicable surcharge to the Health Care Stabilization Fund.

5. The HCSF surcharge is \$100.00 or more for each compliance period for each health care provider.

6. There is an electronic compliance form available at [www.hcsf.org](http://www.hcsf.org) that may be completed on-line and then be submitted directly to the Fund office. A digital image of a certificate of insurance can be submitted as an attachment to the electronic compliance form. In addition, there is another website hosted by Kansas.gov called "KanPay" that allows on-line payment of HCSF surcharges. A link to KanPay is provided at the HCSF website. In the event that a non-resident health care provider needs to expedite compliance, the electronic option may be the most expedient method available.

## Health Care Stabilization Fund Surcharge Rating Classification System

HCSF CLASS GROUPS	CLASS GROUP DESCRIPTIONS – <i>Important Note: Non-resident health care providers insured by the Kansas Health Care Provider Insurance Availability Plan (Plan) will be processed into compliance by the Plan. Please refer to the table at the bottom of this page for additional information.</i>
<b>PHYSICIANS AND SURGEONS (M.D. &amp; D.O.)</b>	
1	<b>Physicians - No Surgery</b> - Includes: Allergy, Dermatology, Forensic Medicine, Legal Medicine, Pathology, Psychiatry (both adult and child), Psychoanalysis, Psychosomatic Medicine, or Public Health.
2	<b>Physicians - No Surgery</b> - Includes: Aerospace Medicine, Cardiovascular Disease, Diabetes, Endocrinology, Family Practice, Gastroenterology, General Practice, General Preventive Medicine, Geriatrics, Gynecology, Hematology, Hypnosis, Infectious Diseases, Internal Medicine, Laryngology, Neoplastic Diseases, Nephrology, Neurology (including child), Nuclear Medicine, Nutrition, Occupational Medicine, Ophthalmology, Otology, Otorhinolaryngology, Pediatrics, Pharmacology, Physiatry, Physical Medicine & Rehabilitation, Pulmonary Diseases, Radiology, Rheumatology, Rhinology, Urgent Care Physicians or other Physicians who are not performing surgery and are not otherwise classified.
3	<b>Physicians Performing Minor Surgery or Assisting in Surgery</b> - Includes: Cardiovascular Disease, Dermatology, Diabetes, Endocrinology, Family Practice (no obstetrics), Gastroenterology, General Practice, Geriatrics, Gynecology, Hematology, Infectious Diseases, Internal Medicine, Intensive Care Medicine, Invasive Procedures (as defined and classified by the basic coverage insurer), Laryngology, Neoplastic Diseases, Nephrology, Neurology (including child), Ophthalmology (including minor and major surgery), Otology, Otorhinolaryngology, Pathology, Pediatrics, Radiology, Rhinology, Shock Therapy or other Physicians who are performing minor surgery and are not otherwise classified.
4	<b>Family Physicians or General Practitioners Performing Minor Surgery or Assisting in Surgery</b> - Includes obstetrical procedures, but not cesarean sections.
5	<b>Surgical Specialists</b> - Includes: Broncho-Esophagology, Colon and Rectal, Endocrinology, Gastroenterology, Geriatrics, Neoplastic, Nephrology, Urological, Family Physicians or General Practitioners performing major surgery.
6	<b>Surgical Specialists</b> - Includes: Emergency Medicine (no major surgery), Laryngology, Otology, Otorhinolaryngology, or Rhinology.
7	<b>Specialists in Anesthesiology</b> - Includes: Physicians or DDS certified by the Board of Healing Arts to administer anesthetics.
8	<b>Surgical Specialists</b> - Includes: Emergency Medicine (including major surgery), Abdominal, Bariatric, Gynecology, Hand, Head and Neck, Plastic (Otorhinolaryngology), Plastic (Not Otherwise Classified), or General (This classification does not apply to any primary care physician or specialist who occasionally performs major surgery).
9	<b>Surgical Specialists</b> - Includes: Cardiac, Cardiovascular Disease, Orthopedic, Thoracic, Traumatic, or Vascular.
10	<b>Surgical Specialists</b> - Includes: Obstetrics, Obstetrics & Gynecology, Perinatology.
11	<b>Surgical Specialists</b> - Neurology (both adult and child).
<b>OTHER HEALTH CARE PROVIDERS</b>	
12	<b>Chiropractors</b>
13	<b>Nurse Anesthetists</b>
14	<b>Podiatrists</b>
15	<b>Health care providers insured by the Health Care Provider Insurance Availability Plan</b>
21	<b>Physician Assistants</b>
22	<b>Nurse Midwives</b>

## HCSF surcharge rate worksheet for non-resident health care providers

If you need assistance completing the non-resident Kansas Health Care Stabilization Fund compliance form or need assistance calculating the Fund surcharge payment, please send an electronic mail message to [hcsf@ks.gov](mailto:hcsf@ks.gov) and your question will be routed to the appropriate member of the staff. You may also send your questions via fax message to (785) 291-3550.

This form is for calculation purposes only and is not to be returned to the Health Care Stabilization Fund. Please keep this form for your records.

### HCSF CLASSIFICATION GROUPS 1 – 14

#### *Use the following worksheet to calculate the Fund surcharge owed*

- Step 1. On page 3 of these instructions find the Fund Classification Group which best describes the professional services you will render in Kansas. All health care providers who obtain their basic professional liability insurance from the Health Care Provider Insurance Availability Plan are assigned Fund Class Group 15. Write your Fund Class Group here: \_\_\_\_\_
- Step 2. Determine the number of years you have been paying surcharges to the Kansas Health Care Stabilization Fund. Write that number here: \_\_\_\_\_
- Step 3. Determine the level of Health Care Stabilization Fund coverage limits desired and enter the option number from the HCSF surcharge tables here: \_\_\_\_\_ **(Once you have selected a Fund coverage limit, you may not increase that Fund coverage limit unless you apply for and receive approval from the Board of Governors.)**
- Step 4. From the HCSF surcharge rate tables find the Health Care Stabilization Fund annual surcharge amount based on your Fund Class Group and the number of years that you have been participating in the Fund. Write that amount on the next line below.
- Annual surcharge for provider Fund class group, years of Fund compliance and selected Health Care Stabilization Fund coverage limit. (Refer to the applicable rate table).
- \$ \_\_\_\_\_
- X \_\_\_\_\_ % Kansas practice as a percent of the total professional practice (not less than 1%).
- \$ \_\_\_\_\_ HCSF surcharge amount due **(Minimum surcharge payment is \$100.00.)**

### HCSF CLASSIFICATION GROUPS 15, 21, and 22

#### *Use the following worksheet to calculate the Fund surcharge owed*

- Step 1. On page 3 of these instructions find the Fund Classification Group which best describes the professional services you will render in Kansas. All health care providers who obtain their basic professional liability insurance from the Health Care Provider Insurance Availability Plan are assigned Fund Class Group 15. Write your Fund Class Group here: \_\_\_\_\_
- Step 2. Determine the level of Health Care Stabilization Fund coverage limits desired and enter the option number from the HCSF surcharge tables here: \_\_\_\_\_ **(Once you have selected a Fund coverage limit, you may not increase that Fund coverage limit unless you apply for and receive approval from the Board of Governors.)**
- Step 3. Determine the amount of annual insurance premium paid for basic professional liability insurance purchased from your insurance company or the Availability Plan. Enter that amount here \$ \_\_\_\_\_
- Step 4. Identify the appropriate percentage surcharge rate based on the Fund Class Group and the coverage option selected and enter the percentage rate here: \_\_\_\_\_%
- Step 5. Multiply the annual premium in step 3 by the percentage rate in step 4. Write that amount on the next line below.
- Annual Surcharge for provider Fund Class Group, years of Fund compliance and selected Health Care Stabilization Fund coverage limit. (Refer to the applicable rate table).
- \$ \_\_\_\_\_
- X \_\_\_\_\_ % Kansas practice as a percent of the total professional practice (not less than 1%).
- \$ \_\_\_\_\_ HCSF surcharge amount due **(Minimum surcharge payment is \$100.00.)**

## HEALTH CARE STABILIZATION FUND CERTIFICATION PROCEDURES

### For Non-Resident Health Care Providers with an Active License to Render Professional Services in Kansas [Compliance Periods on or after January 1, 2016]

Only individual non-resident health care providers are required to comply with the Kansas Health Care Provider Insurance Availability Act. Out-of-state health care facilities, professional corporations, and similar out-of-state entities are not eligible for Health Care Stabilization Fund coverage.

Section	Instructions
1.	Make certain that the name on the certification form is the same as the name indicated on the health care provider's Kansas license. The health care provider's correct home address (legal domicile) must be indicated. A separate mailing address may also be listed.
2. A.	Identify the year of the health care provider's participation in the Fund. If the certification is the first one, obviously it will be the first year of compliance. If necessary you may contact the HCSF office by sending a message to <a href="mailto:hcsf@ks.gov">hcsf@ks.gov</a> to inquire about the year of compliance.
2. B.	Initial selection of one of the Fund coverage limits or subsequent selection of lower Fund coverage limit <u>requires</u> the signature of the health care provider on the Fund nonresident certification form. The Fund coverage limit <u>may be increased only by submitting</u> a signed Request For Increased Coverage Limits Form to the Health Care Stabilization Fund Board of Governors.
3.	The information provided in this section of the form should be consistent with the certificate of insurance submitted along with the form.
4.	Follow the instructions in the HCSF surcharge rate worksheet to determine the appropriate amount of annual surcharge and the ratio of Kansas practice. Multiply the annual HCSF surcharge by the ratio of Kansas practice to calculate the net payable HCSF surcharge. Amounts of <i>49 cents</i> or less must be rounded down to the next lowest whole dollar. Amounts of <i>50 cents</i> or more must be rounded up to the next highest whole dollar.
5.	The HCSF surcharge payment is \$100.00 or more for each period of compliance.

**A copy of the current certificate of insurance for the basic professional liability insurance policy is required with each submission. Failure to submit a copy of the certificate of insurance will delay certification until one is received.**

Return the completed form with certificate of insurance and surcharge payment to:  
 Kansas Health Care Stabilization Fund  
 300 S.W. 8<sup>th</sup> Avenue, 2<sup>nd</sup> Floor  
 Topeka, Kansas 66603-3912